



**Health Services**  
LOS ANGELES COUNTY

Los Angeles County  
Board of Supervisors

Gloria Molina  
First District

Mark Ridley-Thomas  
Second District

Zev Yaroslavsky  
Third District

Don Knabe  
Fourth District

Michael D. Antonovich  
Fifth District

Mitchell H. Katz, M.D.  
Director

Hal F. Yee, Jr., M.D., Ph.D.  
Chief Medical Officer

Christina R. Ghaly, M.D.  
Deputy Director Strategic Planning

313 N Figueroa Street, Suite 912  
Los Angeles, CA 90012

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[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

*To ensure access to high-quality,  
patient-centered, cost-effective  
health care to Los Angeles  
County residents through direct  
services at DHS facilities and  
through collaboration with  
community and university  
partners*



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April 23, 2014

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: *MHK* Mitchell H. Katz, M.D.  
Director

SUBJECT: **NOTIFICATION OF DEPARTMENT OF HEALTH  
SERVICES' USE OF DELEGATED AUTHORITY TO  
EXTEND OVERFLOW MEDICAL RECORDS CODING  
AND ABSTRACTING SERVICES AGREEMENTS**

This is to advise the Board that the Department of Health Services (DHS) has exercised its delegated authority, approved on April 9, 2013 (Attachment I), which allowed the Director of DHS, or his designee, to execute amendments to extend the term of the Overflow Medical Records Coding and Abstracting Agreements and add, delete and/or change non-substantive terms and conditions, upon approval by County Counsel and notification to the Board and the Chief Executive Office.

The amendments extend the six existing Agreements (Attachment II) for the period May 1, 2014 through April 30, 2015. In addition, DHS has updated the indemnification provisions and added Board required language pertaining to time off for voting.

County Counsel has reviewed and approved the Amendment as to form.

If you have any questions or require additional information, please let me know.

MHK:rb

Attachment

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors



**Health Services**  
LOS ANGELES COUNTY

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

22 April 9, 2013

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Los Angeles County  
Board of Supervisors

April 09, 2013

Gloria Molina  
First District

Mark Ridley-Thomas  
Second District

Zev Yaroslavsky  
Third District

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Fourth District

Michael D. Antonovich  
Fifth District

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO EXTEND OVERFLOW MEDICAL  
RECORDS CODING AND ABSTRACTING SERVICES AGREEMENTS  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

Mitchell H. Katz, M.D.  
Director

Hal E. Yee, Jr., M.D., Ph.D.  
Chief Medical Officer

Christina Ghaly, M.D.  
Deputy Director, Strategic Planning

**SUBJECT**

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and through collaboration with  
community and university partners.

Request approval to extend the term of seven agreements for the continued provision of Overflow Medical Records Coding and Abstracting Services at Department of Health Services facilities.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Authorize the Director of Health Services (Director), or his designee, to execute an Amendment substantially similar to Exhibit 1, with the seven existing contractors listed on Attachment A, to extend the term of the Agreement for the period May 1, 2013 through April 30, 2014, with an option to further extend the Agreement term for one additional year through April 30, 2015, and to update the certain standard terms and conditions, for the continuing provision of Overflow Medical Records Coding and Abstracting Services (OMRCAS) with an estimated annual cost for all seven Agreements of \$ 21.6 million.
2. Delegate authority to the Director or his designee, to execute future Amendments to the Agreement, to: (i) exercise the one year option through April 30, 2015, upon review and approval by County Counsel and notification to the Board and the Chief Executive Office (CEO); (ii) add, delete and/or change non-substantive terms and conditions in the Agreement; (iii) to make necessary changes to the scope of services as they relate to implementation



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to Department of Health Services (DHS) applying the use of International Code of Disease (ICD)-10 code sets, utilizing the same rates and under the same terms and conditions set forth in the current Agreement.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the first recommendation will allow the Director to execute amendments to the OMRCAS Agreements, substantially similar to Exhibit I, with seven existing contractors, to provide uninterrupted overflow medical records coding and abstracting services at DHS facilities.

DHS must comply with a Federal mandate to convert from International ICD-9 to ICD-10 by October 1, 2014. The conversion to ICD-10 code sets requires training DHS coders on pre-ICD-10 courses in medical terminology, anatomy, physiology, pathology, and pharmacology. There is a continuing need during this transition period to retain these contractors to ensure there are sufficient resources to provide overflow services while DHS employees are trained on the new system.

Approval of the second recommendation will allow the Director to execute amendments to exercise the one year extension option, add and/or change non-substantive terms and conditions in the Agreement and to make necessary changes to the scope of services as DHS migrates to ICD-10.

#### **Implementation of Strategic Plan Goals**

The recommended action supports Goal 2, Fiscal Sustainability, and Goal 3, Integrated Services Delivery of the County's Strategic Plan.

#### **FISCAL IMPACT/FINANCING**

The estimated annual obligation for OMRCAS for all seven Agreements is \$ 21.6 million.

Funding is included in DHS' Fiscal Year 2012-13 Final Budget and will be requested in future fiscal years.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On May 1, 2008 the Board approved agreements with qualified agencies to provide medical records coding and abstracting services to DHS. These contract agencies provide specialized diagnostic and operative coding and abstracting services, including tumor registry coding and abstracting, and cancer surveillance reporting. Patients' medical records are audited, coded and abstracted in accordance with established numerical coding systems and special hospital coding systems. Without proper coding of these procedures, DHS would not be reimbursed for various medical procedures.

The OMRCAS Agreement is not a Proposition A Agreement because the services are intermittent and as needed and therefore, not subject to the Living Wage Program requirements.

County Counsel has approved Exhibit I as to form.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

4/9/2013

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Approval of the recommended actions will allow the provision of overflow medical records coding and abstracting services to continue uninterrupted.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is stylized with a large, sweeping "M" and a cursive "Katz".

Mitchell H. Katz, M.D.

Director

MHK:rb

Enclosures

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

## OVERFLOW MEDICAL RECORDS CODING AND ABSTRACTING SERVICES

VENDOR	ADDRESS	City, Zip	Contract Number	Contact	Title	Phone	Fax
AE and Associates, LLC	1390 West Sixth Street Pai Plaza Unit	Corona, CA 92882	H-703253	Arnold T. Ardevela	President	951 278 3477	951 278 3670
JENN International, Inc. dba Jenn International Personnel Agency	3250 Wilshire Blvd., Suite 926	Los Angeles, CA 90010	H-703255	Jennifer B. Oracion	President	213 388 1688	213 388 9685
Codebusters, Inc.	28907 Deodar Place	Santa Clarita, CA 91350	H-703257	Linda J. Kobayashi	President	661 296 1907	661 449 3100
CODEMED, Inc.	8939 S. Sepulveda Blvd., Suite 302	Los Angeles, CA 90045	H-703252	Graciela Galvan	President	310 645 9415 x10	310 670 4401
Caban Resources, LLC	15901 Hawthorne Blvd., Suite 320	Lawndale, CA 90260-26	H-703251	Robert A. Caban	President	310 793 7176	310 793 8560
ASAP Staffing, Inc.	11 Golden Shore, Suite 360	Long Beach, CA 90802	H-703256	F. Simon Zaman	President	562 499 2120	562 499 2192